



Book Industry Study Group, Inc.

Examining the Business of Print & Electronic Media • Sponsoring Book & Serial Industry Communication

Executive Director's Annual Report

2001 – 2002

Submitted by Frank Daly

SUMMARY

The Book Industry Study Group (BISG) concluded a difficult 26th year. The events of September 11 and their aftermath caused the postponement of the 2001 Annual Meeting along with the 25th Anniversary Reception and all Committee meetings scheduled for that week. The economic slow down which had already begun continued. The recession coupled with a reluctance to travel impacted our ability to hold New Technology Interest Group Conferences. In addition plans to sell mini Consumer Studies on targeted topics was shelved after the initial report gathered few sales. The result is that BISG had a substantial, unanticipated revenue shortfall in the past fiscal year. Your Board has responded by approving a dues increase for the current fiscal year and has authorized a one-time dues assessment next January to rebuild our reserves. The Board has also authorized converting the dues year to a calendar year basis from the current fiscal year beginning July 1 format.

Despite your organization's financial situation, under the leadership of Chairperson Charles Benante of Pearson, BISG continued its mission of developing standards for technologies which affect our industry. BASIC has nearly completed work on the first draft of xCBL replacements for the x12 purchase order, acknowledgement, and ASN. These will be sent to the BASIC membership for a formal vote this fall. ONIX has evolved into a stable platform for the exchange of metadata. The US ONIX Steering committee has released recommended implementation dates. We are the first national ONIX body to have a formal implementation date.

The Book Industry Study Group Foundation, a 501c3 corporation, was formally established and Michael Hoynes of the American Booksellers Association was named the Foundation's first Chair. The Foundation has developed a draft strategic plan to define its mission and has begun planning a conference as its first effort.

MEMBERSHIP and MARKETING

A complete list of BISG members is included with this report. The membership as of June 30, 2002 was 178, a net loss of 13 members. This consisted of a loss of 37 members partially offset by the addition of 24 new members. As with prior years industry consolidation and the folding of some of the Study Group's internet/e-publishing members were the primary reasons for the loss.

Sally Dedecker, Chair (Sally Dedecker Enterprises) of the Marketing Committee guided the committee in a complete redesign of BISG's web site. The Committee created a commemorative program for the 25th Anniversary Reception and sold \$17,000 worth of advertising to offset the cost

of the reception. The Committee revised the program and sold additional advertisements for the rescheduled reception. The Committee also selected the design of the award for the honorees.

The 25th Anniversary Reception was held on May 1 at the Intercontinental Hotel in NY. It was attended by 50 BISG members. Honorees included: Charles Benante, Kent Freeman, Sandra Paul, BookExpo America, R.R. Donnelley and VISTA International. Frank Daly, Executive Director presented the individual awards and Charles Benante, Chair presented the company awards.

The Marketing Committee prepared flyers to promote the New Technology Interest Group Conferences, the forthcoming 2001 Consumer Study on Book Purchasing, and the 25th Anniversary Reception.

A Press Release announcing the release of the 2002 Book Industry TRENDS preliminary data was prepared in time for the May 3 BookExpo press conference.. This now annual event was attended by nearly 100, the turnout would have been greater had not the Convention Center security closed the doors as the room capacity was exceeded.

As the year closed the marketing Committee was working on standard terms for the resale of BISG publications by other organizations and was developing policies for the sale via BISG's web site of appropriate publications.

FINANCE

As noted earlier the Finance Committee, Chaired by Jeff Blumenthal (Follett) worked with outside council to create and file the legal documents necessary to create the Book Industry Study Group Foundation. Its initial charter being completed, the Committee met infrequently during the year. They met in May to review and suggest changes to the draft budget and will present the final budget at the September Board meeting.

PUBLICATIONS

Book Industry TRENDS 2001 was published in August 2001 in print and in electronic format. It was prepared by The Center for Communications and Media Management at Fordham University's Graduate School of Business Administration. In lieu of an issue of the year, and in honor of our 25th anniversary we asked a number of industry experts to comment on the past 25 years and provide insight to the future of publishing. Articles included: Trade Book Publishing; Harder and Headier by Laurence J. Kirshbaum, Chairman Time-Warner Books; Independent Publishers; Factors Fueling Growth by Jan Nathan, Executive Director Publishers Marketing Association; and Children's Book Publishing; Moving to the Trade Book Model by Janet Schulman, Vice President and Editor-at-Large, Random House Children's Books.

As of June 30, 2002 sale of TRENDS 2001 to non-members and additional copies to members totaled 66 units with dollar sales of \$21,000. This represents an increase of 34 units and \$4,425 from *Book Industry TRENDS 2000*. The increase is due to the promotion of this publication, via shipment stuffers, the new web site and cooperative ventures with other organizations such as the AAUP.

With the assistance of partial sponsorship by the American Booksellers Association, R.R. Bowker, and VISTA International, we have reinstated the *Consumer Study on Book Purchasing* as a

member benefit. The *2001 Consumer Study on Book Purchasing* will be published in early August. Each BISG member will receive one or more copies of this publication at no charge. Additional member copies will be available at \$100. The non-member price of *2001 Consumer Study on Book Purchasing* is \$500.

The *African American Book Buyers Study* was published in August, 2001. Each member received one or more copies of this ground breaking report. As of June 30, 2002 sales of *African American Book Buyers Study* as additional copies to members and non-member sales totaled 19 units and \$1,400.

To increase the sales of BISG publications we are working with one of the major book wholesalers Baker & Taylor to stock and promote *TRENDS* and the *Consumer Study*. We will also continue to work with other organizations such as the AAUP to make BISG publications available to their members.

BOOK AND SERIAL INDUSTRY COMMUNICATIONS (BASIC)

Under the leadership of Peter Krause (Muze) Chair, BASIC moved aggressively to develop the standards. The Electronic Commerce sub-committee Chaired by Jim Stewart (Ingram) worked with BIC in the U.K. and EDItEUR to develop an international standard XML replacement for the x12 and EDifact transactions. At the close of the year xCBL versions of the Order and Acknowledgement were completed and will be presented to the BASIC Committee in September, 2002 for vote. The ASN is nearly complete and will be presented to BASIC at the same time. When the year closed the Electronic Commerce committee had begun work on adapting these three transactions for library and direct consumer fulfillment orders.

The Post Transactional Digital Sales Reporting sub-committee Co-chaired by David Marlin (MetaComet Systems) and Ed Ramsey (Random House) has completed the design specification for the reporting sales of e-publications to a publisher. The specification will be converted during the course of the summer into an xCBL DTD. This will be presented to the BASIC membership for adoption in September, 2002.

The Metadata sub-committees, Chaired by Wendell Lotz (Ingram) and Richard Stark (B&N) completed work on Versions 2.5 and 2.6 of the BISAC Subject Codes and had begun work on Version 2.7 at the close of the year.

The Executive Director convened two meetings of SISAC as a way of reaching out to the library community. The meetings were held in January and June during the American Library Association Conference.

BASIC elected Ed Ramsey (Random House) as Chair effective as of the close of their May 2002 meeting.

ONIX

Chaired by Evelyn Sasmor (McGraw-Hill) the U.S ONIX Steering Committee worked closely with the other national Steering Committees and EDItEUR, the International ONIX maintenance body in the finalization of Release 2.0 of ONIX. This release expanded ONIX to include e-publications and provided the platform to extend ONIX into other media. During the year most of the work necessary

to expand ONIX to encompass Video/DVD was completed and a draft Video/DVD DTD was released for testing.

ONIX for Serials was released in draft form for comment. The DTD is designed for communicating information about either a single journal or article between the publisher and an aggregator. Work continued on ONIX for subsidiary rights. A draft of this ONIX format should be ready by October. As the year closed the ONIX Steering Committee was investigating the feasibility of expanding ONIX to include Music.

NEW TECHNOLOGY INTEREST GROUP (NTIG)

James Lichtenberg (Lightspeed LLC) assumed the Chair of NTIG from Charles Benante (Pearson) upon Mr. Benante's assumption of BISG Chair. Two NTIG conferences were planned, however, the fall conference, scheduled for October 24th was cancelled. The recession combined with the hesitation to fly limited pre-registration and the decision was made to cancel the event rather than have the speakers travel for a lightly attended event.

The second conference entitled e-Publishing: What's Next was held in NY on May 20. Approximately 50 signed up for this event. BISG received favorable reviews in the trade press, which described the conference as one of the few in which the attendees received solid information about the current state of e-publishing. NTIG has begun planning for a fall Conference.

NTIG also spent considerable time working with NISO and OEBF to plan a major fall e-publishing event. It was agreed by all three organizations that the economic factors in the e-publishing area were not conducive to holding a conference at this time. We will re-look at the concept this fall for either spring or fall 2003.

EDUCATION

The Board authorized the creation of an Education Committee whose mission is to develop training programs which encourage the use of standards. Robert Baensch (NYU) was appointed Chair. Under Mr. Baensch's direction the Education Committee in partnership with NYU is developing a series of training sessions focused on ONIX. The first program is scheduled for September 2002. It is being developed in conjunction with the US ONIX Steering Committee.

RESEARCH COMMITTEE

The Statistics Committee was renamed the Research Committee to better reflect the Committee's focus as the focal point for all studies commissioned by BISG. Peter Givler (AAUP) continued as Chair. The Research Committee continued to refine the data sources used in *TRENDS*. A decision was made effective with *Book Industry TRENDS 2002* to utilize Department of Commerce data for book exports rather than AAP data. *TRENDS 2002* will also begin to track book imports using Commerce Data as the source. The Committee also sought to improve the coverage of small presses. In conjunction with the Publisher's Marketing Association (PMA) a survey was developed and placed on the PMA web site. The goal of this questionnaire is to build a body of data on small presses which can be incorporated into future editions of *TRENDS*.

DISTRIBUTION EXECUTIVES INTEREST GROUP (DEIG)

Frank Daly's efforts to resurrect this committee after being dormant for a number of years were successful. Under the leadership of Jim Benjamin, Chair (Baker & Taylor) DEIG held three meetings, two of which were held at publisher distribution centers. DEIG has agreed to look at the vendor guides created by many of our members to determine if a common suggested core of requirements can be developed. The Committee is also working on a survey designed to determine publisher use of shipping container labels. The output of this survey will be used to update BISG's Shipping Container Guidelines Publication.

During the upcoming year DEIG will continue with the format of meeting at distribution centers twice a year with supplemental NY area meetings as necessary.

PUBLICATIONS COMMITTEE

Under Judith Appelbaum's (Sensible Solutions) direction the Publications Committee assumed a greater role in the production management of *TRENDS* and the *Consumer Study*. The Publications Committee also reviewed the redesigned web site prior to going live. They also developed a list of suitable publications offered by other organizations to be sold on BISG's web site.

BOOK INDUSTRY STUDY GROUP FOUNDATION

As noted earlier, Michael Hoynes (ABA) was elected the first Chair of the Foundation. The Foundation held its historic first meeting on May first. At the meeting Mr. Hoynes presented a draft strategic plan for the Foundation. The plan focuses the Foundation on seeking funding for industry related studies and creating conferences to discuss the implications of the research. The first conference to be scheduled in November 2002 will focus on the implications of flat industry sales as noted in the upcoming *TRENDS 2002*.

PUBLICITY AND PROMOTION

BookExpo America again provided BISG with free booth space and meeting room at their annual convention. In addition through their efforts BISG received free booth space at the London Book Fair.

BISG took a small space in the Publishers Marketing Association booth at the Frankfurt Book Fair. PMA provided logistical and staffing support for the booth at no charge.

BISG held two panels in conjunction with NISO, one each at the mid-winter American Library Association Conference in January and the second at the American Library Association Conference in June. The January conference attended by approximately 100 was on digital archiving, while the June program entitled: "Identifiers: What's New?" had 60 in attendance. Plans are being made to continue the collaboration with NISO during the upcoming year.

FUTURE DIRECTION

The upcoming year will be an exciting one as we rollout the ONIX training program. We are also planning at least two NTIG Conferences and a major event sponsored by the Foundation. The Board will use these new revenue sources to put your organization back on sound financial footing.